

Site Development Grant

Bidding Procedures

July 2016

Department of Economic and Community Development
Rural Development
William R. Snodgrass Tennessee Tower, 26th Floor
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243

GLOSSARY

Apprentices

Apprentices are those persons registered individually under a bona fide apprenticeship program registered with the Bureau of Apprenticeship and Training in the United States Department of Labor. It is required that the contractor or subcontractor using the apprentice submit evidence of his/her indenture and/or apprenticeship registration when the apprentice's name first appears on a submitted payroll.

Bid Contract Document

Only the bid document included on our website will be accepted for submission with plans and specifications to our office. No other version or alternation of this bid contract document will be reviewed by our staff. Wage rates, when required, must be included in the document upon submission. **Only a complete set of plans and specifications will be accepted for review.**

Commission

The *Commission* means the prevailing wage commission or its administrative delegate, the Tennessee Department of Labor.

Payroll

For projects involving road construction, payrolls are to be submitted to the Department of Labor on a weekly basis. The appropriate address of the regional office will be listed on the wage decision.

Prevailing Wage

Employees who work on road construction projects, including paving, are to receive a minimum rate of pay determined by the provisions of the Prevailing Wage Act of 1975.

Prime Contractor

The Prime contractor is that contractor to whom the project was awarded as a result of bidding by the grant recipient. The Prime Contractor is directly responsible for making sure that all regulations are followed and all findings brought into compliance.

Subcontractor

The subcontractor is one who performs part of the job called for in the prime contract. This term shall include materialmen whose employees engage in substantial operations at the project site, provided the employee of the materialman devotes as much as 20 percent of his/her work time on the construction premises.

Wage Rate Determination Request

The Wage Rate Determination Request is the form that is to be submitted to ECD to determine the appropriate prevailing wages to be used for road construction projects.

TASKS

This document is broken down into five sections which outline the activities that must be undertaken in order to comply with SDG regulations. The sections include preparation of the bid package, bidding procedure, pre-construction activities, construction activities, and close-out activities.

PREPARATION OF A BID PACKAGE

The grantee should closely monitor the preparation of the bid contract documents to assure that all necessary items have been properly completed in order to avoid delays in the project.

WAGE RATES (Only applicable to projects involving road construction and/or paving)

Any road construction contract utilizing SDG funds will be required to include the prevailing state wage rates that are in effect on the date the bid is advertised.

Without the correct wage decision in the bid contract document, you will not be permitted to advertise for bids. So plan ahead and send the request in early enough for proper processing.

- ☐ **Complete the Request for Wage Determination form** (Exhibit 1). Be sure to include a complete project description and the estimated date of advertising. *The date of advertising is extremely important and should, therefore, be as accurate as possible.*
- ☐ **Send the request to Select.Tennessee@tn.gov before submission of plans and specifications.**
- ☐ **A separate request must be submitted for each contract**, if there are multiple contracts for the project.

PLANS AND SPECIFICATIONS

Use the following list to assure that all appropriate activities are complete and the proper documents are included in the bid contract document to avoid having to re-submit the document for approval.

- ☐ **Technical bid specifications** should be prepared by your engineer. They must provide a clear and accurate description of the technical requirements for the materials and workmanship required for the project.
- ☐ **An Engineer's stamp must be placed on the first page** of the specifications and on each page of the plans.
- ☐ **Include all required SDG information, including Front End Documents, General Conditions, and Supplemental General Conditions.** These documents cannot be substituted or altered.
- ☐ **Include the appropriate cost and pricing format** depending on whether the project is to be bid as a lump sum or per item.

- ☐ **Obtain all permits and notify all utilities** about the proposed construction. Obtain all information concerning utilities and include it in the working drawings or plans.
- ☐ **A review of the documents by your attorney** should be performed to assure compliance with applicable State and municipal law.
- ☐ **A provision to allow rejection of any or all bids** should be included.
- ☐ **Submit one set of the documents via e-mail to Select.Tennessee@tn.gov 14 days before advertising.** Review by the Tennessee Department of Environment and Conservation and any other appropriate agencies can occur before or during the ECD review period and be completed and the bid document approved before advertising. The bid document should have all bid items and other blanks properly filled out i.e., just as the bidders will receive them.
- ☐ **Make all corrections before advertising.** If items are missing from the bid document, correct it and send a fully completed and bound copy to ECD for approval before advertising.
- ☐ **Resubmit the plans and specifications** to our office for approval if there are any changes made.

ADVERTISEMENT OF THE PROJECT BEFORE ECD APPROVAL MAY RESULT IN REBIDDING.

BIDDING PROCEDURE

Once bid documents have been approved, you may proceed with all activities involved in the bid process. Check to assure that the following items have been appropriately covered:

ADVERTISING FOR BIDS

- ☐ **For those projects involving road construction e-mail Select.Tennessee@tn.gov five to ten days prior to the advertisement for bids.** Verify that the State wage decision used in your project has not expired or changed. Failure to include the correct wage rates in the contract could result in payroll violations which may be difficult to correct.
- ☐ **Advertise at least once, 14 days prior to bid opening.** You must conform to local procurement regulations if they are more restrictive.
- ☐ **An Addendum should be sent to all contractors** receiving bid documents when a revision is required prior to bid opening. Prior to issuing to contractors, the addendum should also be submitted to Select.Tennessee@tn.gov.

BID OPENING

The bid opening is to be conducted in a business-like manner on the date scheduled

- ☐ **Requirements of the Tennessee Contractors Licensing Act of 1976** should be followed concerning information on the outside of the contractor's bid submittal envelope.
- ☐ **Bids must remain sealed** until the opening.
- ☐ **Log in time and date of receipt**, name of offerer and procurement number on all bids received.

BID AWARD

After the bid opening, the proper City/County officials and their consultant should review the bids. Once bids for the project have been received, if for any reason the low bid is not accepted, a written explanation must be submitted to ECD along with an alternate proposal for completion of the project. This must be submitted along with the certified bid tabulation. **No action may be taken on the alternate proposal until written approval by ECD is obtained.**

DO NOT AWARD THE CONTRACT WITHOUT ECD APPROVAL.

- ☐ **Review the bids** for technical and legal responsiveness.
- ☐ **Evaluate the bidder** and his/her capacity for performing the services required.
- ☐ **Send the detailed bid tabulations via e-mail to Select.Tennessee@tn.gov** along with a recommendation for award and newspaper bid advertisement and/or documentation, Drug-Free Workplace Affidavit, and Illegal Immigration Certificate to ECD for review and approval as soon as possible.
- ☐ **Verification of contractor eligibility** will be mailed to you upon receipt of the bid tabs. This assures that the contractor is not on the State list of debarred contractors.
- ☐ **Award the contract within 60 days** with ECD approval or reject all bids. There must be enough money in the construction budget to cover the bids in order to award the contract.

PRE-CONSTRUCTION ACTIVITIES

Once the contract has been awarded, there are activities to be performed before construction can begin.

- ☐ **All bonding and insurance provisions must be met** as required in the contract. These documents should be attached to the contract document.

- ☐ **Submit the Notice of Contract Award and Pre-Construction Conference (Exhibit 2) to Select.Tennessee@tn.gov at least ten days in advance.** This allows the State Department of Labor time to ensure that a representative will be in attendance.
- ☐ **Conduct a pre-construction conference.**
- ☐ **Inform the contractor of his/her responsibilities** in regard to the wage decision (if applicable) and payrolls as required in the contract.
- ☐ **Issue the Notice to Proceed (Exhibit 3)** to the contractor. This authorizes him/her to begin work on a designated date. Retain a copy for your files signed by the contractor indicating that he/she was properly notified.

CONSTRUCTION ACTIVITIES

After construction has been initiated, important tasks must be undertaken in order to comply with the labor standards regulations during the phase of the project.

CONTRACTOR/SUBCONTRACTOR RESPONSIBILITIES

The contractor and all subcontractors must:

- ☐ **For those projects involving road construction and/or paving, classify all workers** in conformity with the wage rate determination included in the construction contract.
- ☐ **For those projects involving road construction, post the prevailing wage rates** at the construction site and make these rates available to their employees. Fringe benefits are not included in State prevailing wage rates.
- ☐ **For all projects, pay overtime compensation** of one and one-half times the basic rate of pay for all hours worked over 40 a week.
- ☐ **Make only those deductions from wages authorized by law.**
- ☐ **Submit payrolls to the grantee on a weekly basis.** The contractor or subcontractor must state that the payrolls are correct and complete, and that for those projects involving road construction the wage rates paid to the workers during the reporting period equal or exceed the prevailing wage rates included in the construction contract and that the classifications used conform with the work the employee performs. The Prime Contractor is responsible for submitting all payrolls including those of the subcontractors.
- ☐ **Make his/her employment records available for inspection** by representatives of the grantee, the Commission, the Tennessee Department of Labor and the Tennessee Department of Economic and Community Development, and permit these representatives to visit the construction site.

GRANTEE RESPONSIBILITIES

- ☐ **For those projects involving road construction, the grantee must promptly submit the contractors weekly payrolls to the State Department of Labor.** It may be arranged at the pre-construction conference for the contractor to submit payrolls directly to the Department of Labor; however, it is the grantee's responsibility to assure that the payrolls are received. In addition, it is also in the best interest of the grantee to check the payrolls against the wage decision and to report any problems to the Department of Labor.

CLOSE-OUT ACTIVITIES

Inspection and acceptance of the work, close-out of construction and making the final payment involve the completion of the following tasks:

- ☐ **A certification of completion of work and a request for final payment** should be submitted by the contractor to the grant recipient's engineer.
- ☐ **A final inspection should be arranged.**
- ☐ **A final inspection report** should be submitted by the engineer to the grant recipient.
- ☐ **All labor compliance activities must be completed**, including submittal of the weekly payrolls to the State Department of Labor, if applicable.
- ☐ **The Notice of Completion** of the project should be publicly advertised with a request that any one having a claim against the project to notify the City or County. If no claims are made during a 10-day period, the release of liens from the contractor may be accepted and submitted to the State with contractor's final pay estimate so that retainage may be released. A copy of the advertisement of the Notice should accompany the final request for payment.

REQUEST FOR STATE WAGE DETERMINATION

FOR ROAD CONSTRUCTION PROJECTS

Applicant: _____

Company: _____

Request is hereby made for the determination of the wage rates to be paid laborers and mechanics on the work described below.

Title and signature of requesting officer:

Date of Request:

Department, Agency, or Bureau:

Phone Number:

Date Bid Advertised:

STATE USE ONLY

Description of Work:

Decision Number:

Location (County and City or Town):

Date Assigned:

STATE:

COUNTY:

Supersedes Decision No:

Tennessee

Address to which wage determination should be mailed. Must be complete and include zip code:

SAMPLE
NOTICE OF CONTRACT AWARD and
PRE-CONSTRUCTION CONFERENCE

TO: ECD/Site Development Director
FROM: Labor Standards Coordinator
SUBJECT: Award of Contract/Pre-Construction Conference

This is to inform you that

NAME OF COMPANY

LICENSE NO.

ADDRESS

PHONE NUMBER

has been awarded a contract to _____ *DESCRIPTION OF PROJECT*

in the City of _____ *CITY NAME*.

The number of applicable State wage decision is _____ *WAGE DECISION NUMBER*
(if applicable) _____.

The contract is for \$ _____ *AMOUNT*.

The estimated start of construction is _____ *DATE*.

Contract completion is estimated to be _____ *DATE*.

A Pre-Construction Conference will be held concerning this project at

_____ *TIME* on *DATE* at *ADDRESS*

NOTICE TO PROCEED

To: _____

(Name and Address
of Construction Contractor)

Date: _____

You are hereby notified to commence Work in accordance with the Agreement dated _____, 20____, on or before _____, 20____, and you are to complete the Work within _____ consecutive calendar days thereafter. The date of completion of all work is therefore _____, 20_____.

Owner
Signature: _____
Typed Name & Title _____

ACCEPTED:

Contractor
Signature: _____
Typed Name & Title _____

CONTRACT DOCUMENTS GUIDE

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